

State of Michigan House Reform Committee
House Office Building
124 North Capitol Avenue
Lansing, MI 48933

Honorable Chair Hauck, and distinguished members of the House regulatory committee.

My name is Michael Livendale, and I am a Design-Builder, a member of the Design-Build Institute of America (DBIA) and a board member of the DBIA Great Lakes Region.

DBIA is a national association focused on "Design-Build done right." DBIA is made up of architects, engineers, and construction industry leaders including some of the largest construction, architect, and engineering companies in America. Within the local DBIA Midwest Region we have over 200 members including leading Michigan based construction companies such as Barton Mallow, Hunt construction, Christman and Walsh.

The Design-Build delivery method is one in which design and construction services are contracted by a single entity known as the "design-builder." Design-Build provides an efficient and streamlined method of procurement and contracting that would compete with the various Design/Bid/Build processes created in the 1920's currently utilized in the Kindergarten through 12th grade school (K12) market in Michigan. The primary advantages of Design-Build over Design-Bid-Build, as supported by numerous peer-reviewed studies, are as follows:

- Lower total design and construction costs with project cost certainty to fit the owner's budget.
- Faster project delivery times.
- Single point of responsibility eliminates finger-pointing and change orders.
- Guaranteed costs and outcomes to provide the best value to the public.

The state of Michigan allows for Design-Build with all public agencies except for public schools. Michigan is one of only a few states that does not have specific Design Build legislation for public schools.

Some examples of critical facilities and infrastructure Design-Build projects in Michigan include:

- I-75 project in Detroit Metro will be completed in 5 years vs 15 years by traditional means.
- Gordie Howe International Bridge still on schedule for 2024 despite pandemic.
- Heritage Hall at the State Capital set to open in May
- McClaren's new hospital in Lansing opening in March.

The proposed legislation would allow public schools to join all other public agencies in the ability to utilize the design-build process. The Design-Build legislation is based on very successful Design-Build laws in other states and is drafted using best practices as recognized by the Design Build Institute of America (DBIA). We are asking you today to allow for competition in the Michigan school construction market to include design-build.

HB 5538 will clarify what a qualified Design-Builder is, defines procurement methods and ensures licensed State of Michigan architects are utilized. It allows Design-Build as an option that for the first time will offer schools a choice in construction and create competition for the benefit of the schools.



Design-Build: 5000 Years of Tradition

To better understand the departure from the Design-Build tradition, we'd like to take a look at the reasons for the emergence of Design-Bid-Build, also known as the Plan-Spec, approach. Even though it has only been around for a few hundred years, the Design-Bid-Build approach is considered a well-established tradition in the public school sector. We recognize that proven strategy is extremely important to new building and renovations for K – 12 schools, especially when dealing with budgetary constraints.

The AIA now formally *encourages* a return to Design-Build in recognition that the shift away from the master builder was not about the expectations of the owner but rather a collective result of the rise of the architect as a separate and distinct design professional and the dramatic world impact of the industrial revolution. However, ingrained industry practices, economic barriers, and the reality of public laws have made for slow progress.

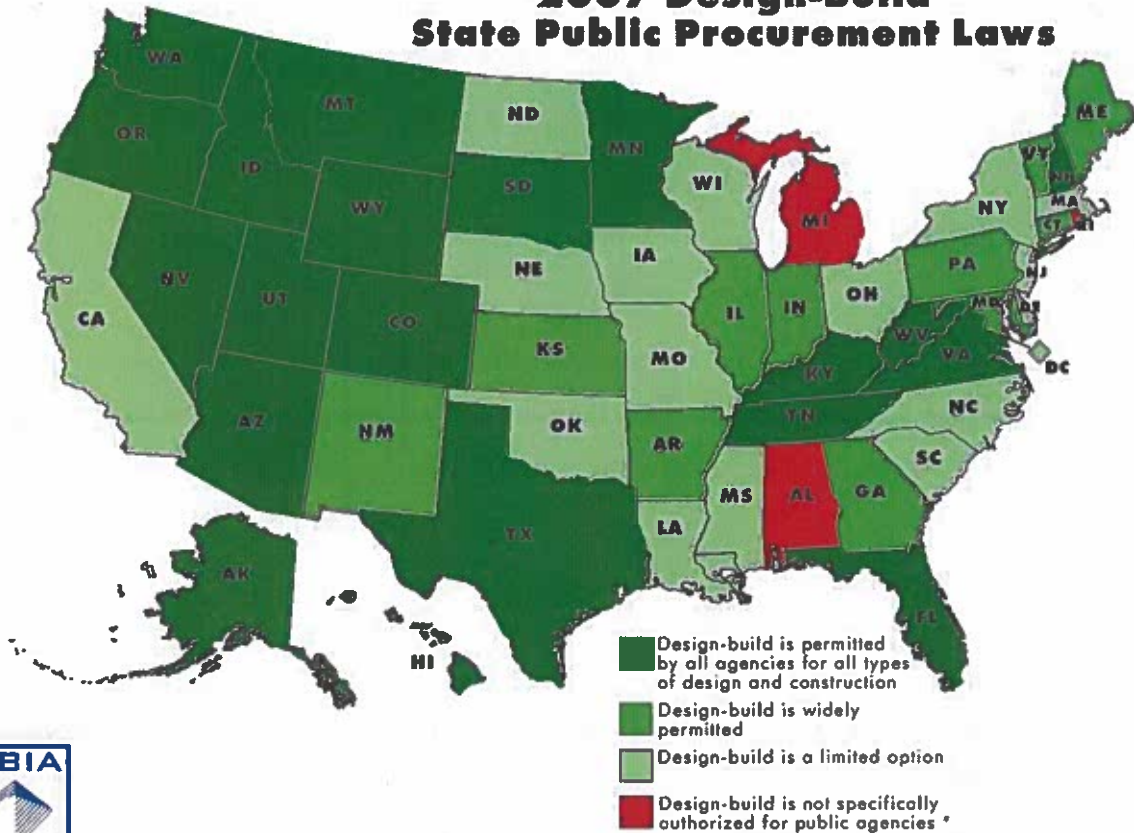
Time for change

Our world has changed and the expectations and needs for creating high performance buildings require the expertise and synergistic approach of the master builder. Let's take a look at the benefits of embracing a return to the Design-Build approach to optimize energy savings and create improved environments.

Indiana and Illinois public schools stepped into the 21st century in 2005 and joined a national movement where public entities, including K-12 school districts and taxpayers are now part of a *market-driven era* where the owner's expectations for quality, price, on-time delivery and great design have returned as a priority.

We also live in a new era that demands an integrated, comprehensive and creative approach from concept to completion. This is made possible when a unified and collaborative team of designers and construction professionals are brought together with singular accountability in the team leader: the Design-Builder.

2007 Design-Build State Public Procurement Laws



* Certain states allow design-build procurement by case law.

Updated October 2007

Chart reference: DBIA website

Why Design Build for the Michigan K12 Market?

Currently the Construction of School Building Act 306 or 1937 does not specify design build. The proposed legislation will provide an alternate to the current school construction methods, while allowing current methods to continue and compete with Design Build.

Across the country and around the world, design-build successfully delivers both horizontal and vertical construction projects with superior results, no matter what the project type. The state of Michigan is one of only a few states that do not have specific design build legislation for public schools. The proposed legislation is based on the very successful Design build laws and drafted using best practices as recognized by the Design Build Institute of America (DBIA). There are numerous examples of public agencies in Michigan constructing critical facilities via the Design-Build.

Critical Facilities and Infrastructure Design Builds in Michigan:

- I-75 project in Detroit Metro will be completed in 5 years vs 15 years by traditional means.
- Gordie Howe International Bridge still on schedule for 2024 despite pandemic.
- Heritage Hall at the State Capital set to open in May
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Why Design Build - Eliminates Waste in Construction

In the book *The Commercial Real Estate Revolution*, Rex Miller estimates that, of the total cost of a project, 12% is spent on wasted material, 7% is wasted due to poor planning, 10% is wasted due to rework and avoidable collisions between trades, and 8% is wasted by the production, transportation, and pricing of construction documents. Outcome's fare worse, research shows that:

- 70% of projects were completed behind schedule
- 73% were over budget

However, the Alliance reports that waste can be reduced by 40% by improving the processes utilizing Design Build.

The Design Build Advantage:

The Design-Build delivery method is one in which design and construction services are contracted by a single entity known as the "design-builder." The primary advantages of Design-Build over Design-Bid-Build, as supported by numerous peer-reviewed studies, are as follows:

1. Lower total design and construction costs with project cost certainty to fit the owner's budget.
2. Faster project delivery times.
3. Single point of responsibility eliminates finger-pointing and change orders.
4. Fostering flexibility in procurement methods to provide the best value to the public.